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UNITED STATES BANKRUPTCY COURT  
 DISTRICT OF NEVADA

In re:	)	BK-S-06-10725-LBR
	)	Chapter 11
USA COMMERCIAL MORTGAGE COMPANY	)	
Debtor	)	
In re:	)	BK-S-06-10726-LBR
	)	Chapter 11
USA CAPITAL REALTY ADVISORS, LLC,	)	
Debtor	)	
In re:	)	BK-S-06-10727-LBR
	)	Chapter 11
USA CAPITAL DIVERSIFIED TRUST DEED	)	
FUND, LLC,	)	
Debtor	)	
In re:	)	BK-S-06-10728-LBR
	)	Chapter 11
USA CAPITAL FIRST TRUST DEED FUND,	)	
LLC,	)	
Debtor	)	
In re:	)	BK-S-06-10729-LBR
	)	Chapter 11
USA SECURITIES, LLC,	)	
Debtor	)	
Affects:	)	
<input type="checkbox"/> All Debtors	)	

☒ USA Commercial Mortgage Co.     )  
☐ USA Securities, LLC                     )  
☐ USA Capital Realty Advisors, LLC     )  
☒ USA Capital Diversified Trust Deed    )  
☒ USA First Trust Deed Fund, LLC        )  
\_\_\_\_\_)

DATE: August 31, 2006  
TIME: 9:30 A.M.

MOTION FOR PAYMENT OF PROCEEDS OF NOTES SECURED BY DEEDS OF  
TRUST WITHOUT REDUCTION FOR NETTING

Come now Direct Lenders Alexander and others shown in the Second Amended of Robert C. LePome, Esq. And Nancy Allf, Esq. Pursuant to Rule 2019 filed as Docket No. \_\_\_\_\_ represented by Nancy Allf of the firm of Parsons, Behle, & Latimer and Robert C. LePome Esq. and move the Court for an order that Debtor pay distributions to Movant as called for in their Servicing Agreement without reduction for netting. The amount due Movant's is not less than the total of the amount of "agreed" and "disputed" interest as shown as Exhibit "A" hereto.

This Motion is based upon the Points and Authorities attached hereto.

ROBERT C. LePOME, ESQ.

\_\_\_\_\_  
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Attorney for Defendant

POINTS AND AUTHORITIES

The investment of Stanley Alexander and other Movants is shown on Exhibit "A" hereto. Debtor as loan servicer is contractually required to collect and distribute all

funds placed for collection by Movants. Debtor has proposed to withhold and either convert unto itself funds shown as "disputed" interest or allow others to do so. Debtor tries to justify this conversion by various theories, none of which justify any with holding of Movants funds. The Loan Servicing Agreement applicable to the Debtor and all Movants are substantially in the form attached as Exhibit 1 to Direct Lenders/Beneficiaries' Opposition to Debtor's Proposed Case Management Plan filed herein by Janet CHUBB on May 1, 2006 as Attachment 1 to Docket No. 103. All Movants were given monthly statements by Debtor indicating that all interest was paid by the borrowers on time and all such interest was remitted until April 3, 2006.

A sample copy of the Debtors' letter to Mr. Voss dated April 29, 2005 is attached as page 6 to Exhibit "B". Most Movants extended their loans when Debtor reported that a fully performing borrower had requested such extension. An example is taken from the letter of Debtor to the Voss Family Trust. The Debtor states in its letter:

"The borrower approached USA CAPITAL regarding extending the balance of this loan for an additional 12 months. The borrower is completing the entitlements and our loan will be taken out in the next 12 months through sale of the property. Currently the loan matures on May 13, 2005. The loan will have a new maturity date of May 13, 2006. A loan extension signature page and a new Power of Attorney are enclosed for your signature. Every investor who elects to stay in the loan must sign the loan extension signature page and a new power of attorney and return them in the self-stamped envelop provided. Please note that the signature in the new Power of Attorney must be notarized. Your interest checks will continue to arrive around the 10<sup>th</sup> of every month."

Debtor represented that the borrower was making his payments on time and needed an additional year to complete the entitlements and have the loan taken out.

Replying on this representation, Mr. Voss elected to execute the Extension Agreement and new Power of Attorney.

All objecting parties maintain that there were no interest "advances" to them by USA Commercial Mortgage. Most signed extension agreements. As always, USA Commercial Mortgage reported that the borrower was making the interest payments on time. Therefore there was no advance to the lender. There was an advance to the borrower by USA Commercial so that the borrower would be "current". These advances to the borrower thereby creating an account receivable from the borrower payable to USA Commercial.

The funds receipted for by these objecting parties ("lenders") were applied to the payment of their loans forwarded by their agent. Each lender was legally entitled to collect the interest and all payments were received in good faith. Under these facts there is no possibility of restitution or recoupment or "set offs". Chase Manhattan Bank v. Burden 489 A 2d 494, 497 (D.C. App. 1985), Greenwald v. Chase Manhattan Mort. Corp., 241 F. 3<sup>rd</sup> 78, 79 (C.A.1 2001).

The Court should also be mindful of the case of In re Golden Triangle Capital Inc., 171 B.R.79 (9<sup>th</sup> Cir BAP 1994) cited by several attorneys herein. This 9<sup>th</sup> Circuit case involved the Debtor (Triangle) which was acting as a loan servicing agent for a loan evidenced by a promissory note and secured by a Deed of Trust. This is precisely the situation of Debtor herein as it relates to the objecting parties identified in Exhibit "A" herein. In Triangle, the California Department of Real Estate and the FBI seized the funds in Triangle's bank account which contained funds to be used to fund a loan.

The funds seized were turned over to a Court appointed receiver for Triangle. The state appointed receiver filed its Chapter 7 bankruptcy. An adversary proceeding complaint was filed in Bankruptcy Court to determine entitlement to the funds. Bankruptcy Judge Hargrove ruled that the funds belonged to the estate. He was overruled by the 9<sup>th</sup> Circuit BAP panel in the reported case.

The BAP Court gave a dissertation on the law of trusts and then held that the legal fictions were not necessary to a conclusion of the issue. "The property nevertheless should be excluded from the estate under section 541" Golden Triangle at 83. Congress could not be more clear. 11 USC 541(b)(1) states "Property of the estate does not include any power that the debtor may exercise solely for the benefit of an entity other than the debtor."

The appellate Court held that since Triangle was only a conduit for the funds, except for its nominal [servicing] fee, the debtor never had rights in the funds. Id at 83. The Court further held that property has never become part of the estate. The Court need not fashion an "equitable remedy". All movants have filed their objection to the July 7, 2006 proposed distribution in so far as it allows any withhold for "netting". Such objection was filed July 19, 2006.

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CONCLUSION

The Court should grant this Motion so that the funds being withheld by Debtor should be ordered released to Movants Immediately.

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and

/s/ \_\_\_\_\_  
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<u>Client</u>	<u>Borrower</u>	<u>Amount Invested</u>	<u>Interest</u>	<u>Agreed Interest</u>	<u>Disputed Set-Off</u>
Stanley & Florence Alexander	Marquis Hotel	150,000	13%		12,484
Stanley & Florence Alexander	HFA Clear Lake	350,000	16%		36,244
Stanley & Florence Alexander	HFA - North Yonkers	100,000	12%		13,933
Stanley & Florence Alexander	Hasley Canyon	100,000	17%	371	
Stanley & Florence Alexander	I-40 Gateway West, LLC	53,000	15%	683	
Stanley & Florence Alexander	60th Street, LLC	100,000	15%	1,465	
Stanley & Florence Alexander	Placer Vineyards	100,000	12.50%		
Stanley & Florence Alexander	Fiesta Murrieta	100,000	12%	1,203	5,050
Stanley & Florence Alexander	Brookmere/Matteson	150,000	12%		590
Stanley & Florence Alexander	Roam Development Group	92,000	12%		32
Stanley & Florence Alexander	Lerin Hills	200,000	15%		85
Stanley & Florence Alexander	Riviera Homes for America Holdings, LLC	90,000	16.50%		11,756
Stanley & Florence Alexander	Lerin Hills	100,000	15%		85
Stanley & Florence Alexander	Lerin Hills	125,000	15%		85
Jerome L. & Charma Block	Gramercy Court Condos	50,000	12%		2,044
Jerome L. & Charma Block	Shamrock Tower, LP	50,000	12%		7,318
Jerome L. & Charma Block	Castaic Partners III LLC	50,000	12.50%	412	
Jerome L. & Charma Block	6425 Gess, LTD.	50,000	12%		
Church of Movement	Roam Development Group	100,000	12%		3,335
Church of Movement	Del Valle Isleton	100,000	12.50%	433	35
Church of Movement	HFA - North Yonkers	100,000	12.50%		13,933
Church of Movement	Foxhill 216, LLC	100,000	13.50%	9	
Church of Movement	Bay Pomano Beach	100,000	13%		811
James R. Cielen	HFA - Riveria 2nd	25,000	18%		6,975
James R. Cielen	Preserve at Galleria, LLC	50,000	15%	356	
James R. Cielen	Cabernet	25,000	15%	41	
James R. Cielen	HFA - Windham	50,000	12%		7,833
James R. Cielen	Placer Vineyards 2nd	50,000	16%		2,481
James R. Cielen	Marquis Hotel	50,000	13%		9,442
James R. Cielen	Amesbury/Hatters	25,000	13.50%		1,324
James R. Cielen	Hasley Canyon	25,000	17%		2,592
James R. Cielen	Amesbury/Hatters	50,000	13%		2,764
Patrick and Susan Davis	Brookmere/Matteson	100,000	12%		2,261
Patrick and Susan Davis	Beau Rivage	100,000	12%	3,004	
Patrick and Susan Davis	BarUSA/\$15,300,000	100,000	12.50%		1,369
S&P Davis Limited Partnership	Hasley Canyon	50,000	17%		2,570
S&P Davis Limited Partnership	J. Jireh's Corp.	100,000	12.50%	765	
S&P Davis Limited Partnership	Amesbury/Hatters	50,000	13%		753
S&P Davis Limited Partnership	6424 Gess, LTD.	100,000	12%		6,669
S&P Davis Limited Partnership	Foxhill 216, LLC	100,000	12.50%	9	

EX 'A'

S&P Davis Limited Partnership	Fiesta USA/Stoneridge	100,000	13%		10,723
S&P Davis Limited Partnership	Del Valle Isleton	100,000	12%	433	
S&P Davis Limited Partnership	Roam Development Group	100,000	12%		35
S&P Davis Limited Partnership	Tapia Ranch	100,000	12.50%		1,568
S&P Davis Limited Partnership	Rio Rancho Executive Plaza	100,000	12%	935	
S&P Davis Limited Partnership	HFA Clear Lake	50,000	12%		6,767
S&P Davis Limited Partnership	Del Valle - Livingston	50,000	12%	369	
S&P Davis Limited Partnership	Charlevoix Homes	100,000	15%	0	
S&P Davis Limited Partnership	I-40 Gateway West, LLC	50,000	12%		145
S&P Davis Limited Partnership	Margarita Annex	50,000	12%		128
S&P Davis Limited Partnership	Gramercy Apartments	100,000	12%		2,380
S&P Davis Limited Partnership	Brookmere/Matteson	100,000	12%		283
S&P Davis Limited Partnership	Bay Pomano Beach	100,000	12.50%		722
S&P Davis Limited Partnership	Ocean Atlantic	100,000	12%	924	
First Savings Bank, Custodian for Pat Davis IRA	Beau Rivage	50,000	18%	1,502	
First Savings Bank, Custodian for Pat Davis IRA	Oak Shores II	70,000	12%		263
First Savings Bank, Custodian for Pat Davis IRA	BarUSA/\$15,300,000	66,000	12.50%		1,045
First Savings Bank, Custodian for Pat Davis IRA	Amesbury/Hatters	50,000	13%		3,517
First Savings Bank, Custodian for Susan Davis IR	Amesbury/Hatters	50,000	13%		1,407
First Savings Bank, Custodian for Susan Davis IR	Beau Rivage	50,000	18%	601	
First Savings Bank, Custodian for Susan Davis IR	BarUSA/\$15,300,000	66,000	12.50%		412
Norma Deull	Gramercy Court Condos	50,000	12%		2,044
Norma Deull	Bay Pomano Beach	50,000	12.50%		211
Norma Deull	HFA - North Yonkers	50,000	12%		6,967
Nancy Golden	Placer Vineyards	50,000	12.50%		2,525
Nancy Golden	Wasco Investments	50,000	12%		2,898
Nancy Golden	Oak Shores II	60,000	12%	51	
Nancy Golden	Fiesta Murrieta	50,000	12%	147	
Robin Graham	Roam Development Group	50,000	12%		18
Robin Graham	Brookmere/Matteson \$27,050.00	114,500	12%		1,263
Robin Graham	Margarita Annex	300,000	12%	53	
Robin Graham	Harbor Georgetown	200,000	12%	173	
Robin Graham	Tapia Ranch	200,000	12.50%		535
Robin Graham	Placer Vineyards	100,000	13%		1,955
Robin Graham	HFA - North Yonkers	150,000	13%		10,050
Robin Graham	HFA - Clear Lake	100,000	16%		6,700
Robin Graham	Roam Development Group	100,000	12%	490	
Robin Graham	Del Valle Isleton	200,000	13%	1,198	
Robin Graham	6425 Gess, Ltd.	100,000	12%		6,669
Robin Graham	Bay Pomano Beach	150,730	13%		2,193
Robin Graham	Del Valle - Livingston	100,000	12%	738	
Robin Graham	Binford Medical Developers	100,000		974	
Robin Graham	Comvest Capital	100,000		992	
Jayem Family LP	Amesbury/Hatters	75,000	13%		5,296
Jayem Family LP	Beau Rivage	113,215	18%	2,590	



Jayem Family LP	Mountain House Business Park	75,000	13%	1,003	
Jayem Family LP	La Hacienda Estate, LLC	100,000	12%	906	
Jayem Family LP	HFA - North Yonkers	100,000	12%		13,933
Jayem Family LP	Bundy Canyon \$5,725,000	240,000	13%	1,425	
Jayem Family LP	Bay Pomano Beach	50,243	12.50%		361
Jayem Family LP	Comvest Capital	60,000		595	
Jayem Family LP	Rio Rancho Executive Plaza	250,000	12%	1,556	
Sharon Juno	6425 Gess, Ltd.	70,000	12%		4,668
Phyllis Marina Karr	Mountain House Business Hotel	60,000	12%	802	
Phyllis Marina Karr	La Hacienda Estate, LLC	60,000	12%	544	
Martin Leaf	Gramercy Court Condos	50,000	12%		2,044
Martin Leaf	HFA - North Yonkers	50,000	12%		6,967
Martin Leaf	Bay Pomano Beach	50,000	12.50%		260
Pamela Jean Marton	Bay Pomano Beach	50,000	12.50%		271
Pamela Jean Marton	Palm Harbor One	50,000	12%	478	
Matthew Molitch	Ocean Atlantic	50,000	12%	462	
Matthew Molitch	HFA Clear Lake	50,000	12%		
Matthew Molitch	Marlton Square	300,000	12.50%		6,767
Matthew Molitch	6425 Gess, LTD.	50,000	12%		6,636
Matthew Molitch	Fiesta USA/Stoneridge	100,000	13%		3,335
Matthew Molitch	Roam Development Group	200,000	12%		24,283
Matthew Molitch	Rio Rancho Executive Plaza	50,000	12%	467	70
Matthew Molitch	Brookmere/Matteson	100,000	12%		
Matthew Molitch	Foxhill 216, LLC	50,000	12.50%	4	2,544
Marilyn & Matthew Molitch	Gramercy Court Condos	50,000	12%		2,044
First Savings Bank, Custodian for Matthew Molitch	Bundy Canyon \$5,725,000	54,000	13%		95
Daniel D. Newmen Trust	Brookmere/Matteson	65,000	12%		1,653
Daniel D. Newmen Trust	Gramercy Court Condos	75,000	12%		612
Daniel D. Newmen Trust	Mountain House Business Park	35,000	13%	318	
Daniel D. Newmen Trust	Fiesta Oak Valley	50,000	13%		8,446
Daniel D. Newmen Trust	Universal Hawaii	50,000	12%	565	
Daniel D. Newmen Trust	HFA - Clear Lake	70,000	16%		
Daniel D. Newmen Trust	I-40 Gateway West, LLC	70,000	15%		9,473
Daniel D. Newmen Trust	Oak Shores II	85,000	12%		171
Daniel D. Newmen Trust	Bundy Canyon \$5,000,000	90,000	13%	1,081	319
Daniel D. Newmen Trust	Castaic Partners III LLC	60,000	12.50%	494	
Daniel D. Newmen Trust	Gateway Stone	50,000	12%		82
Daniel D. Newmen Trust	Ocean Atlantic \$9,425,000	70,000	12%		
Daniel D. Newmen Trust	Standard Property Development	50,000	12.50%	646	
Daniel D. Newmen Trust	Palm Harbor One	50,000	12%	353	
David and Sally Olds	Shamrock Tower, LP	50,000	12%		7,318
David and Sally Olds	6425 Gess, LTD	50,000	12%		3,335
David and Sally Olds	Lake Helen Partners	50,000	14%		
David and Sally Olds	HFA Clear Lake	50,000	12%		6,767
Frances E. Phillips	Palm Harbor One	50,000	12%		

Frances E. Phillips	Bay Pomano Beach	50,000	12.50%	271
Stephen and Frances Phillips	Foxhill 216, LLC	50,000	12.50%	4
Stephen and Frances Phillips	Bundy Canyon \$2,500,000	50,000	12%	653
Stephen and Frances Phillips	Del Valle - Livingston	50,000	12%	363
Hans J. Prakelt	Wasco Investments	50,000	12%	2,423
Hans J. Prakelt	Foxhill 216, LLC	50,000	12.50%	4
Hans J. Prakelt	Golden State Investments II	50,000	12%	699
Hans J. Prakelt	Roam Development Group	100,000	12%	35
Hans J. Prakelt	SVRB Rio Bravo \$4,500,000	50,000	12%	294
Hans J. Prakelt	Palm Harbor One	50,000	12%	478
Crosbie Ronning	Lerin Hills	50,000	15%	149
Crosbie Ronning	Fiesta Murrieta <sup>1</sup>	50,000	12%	602
Crosbie Ronning	Placer Vineyards	50,000	12.50%	2,525
Grable B. Ronning	Margarita Annex	50,000	12%	251
Grable B. Ronning	Fiesta Murrieta <sup>1</sup>	100,000	12%	1,203
Grable B. Ronning	Oak Shores II	100,000	12%	376
Grable B. Ronning	Universal Hawaii	100,000	12%	1,130
Grable B. Ronning	Corman Toltec 160, LLC	100,000	12%	257
Grable B. Ronning	Placer Vineyards	85,000	12.50%	4,292
Grable B. Ronning	Rio Bravo (SVRB)	100,000	12%	588
Grable B. Ronning	Roam Development Group	100,000	12%	35
Bosworth 1988 Trust	Castaic Partners II LLC	100,000	12.50%	1,659
Bosworth 1988 Trust	Placer Vineyards	50,000	12.50%	2,525
Wild Water Limited Partnership	Margarita Annex	50,000	12%	251
Wild Water Limited Partnership	Corman Toltec 160, LLC	50,000	12%	129
Wild Water Limited Partnership	Foxhill 216, LLC	50,000	12.50%	116
Wild Water Limited Partnership	Elizabeth May Real Estate	50,000	12%	466
Wild Water Limited Partnership	Oak Shores II	50,000	12%	188
Wild Water Limited Partnership	Fiesta Murrieta <sup>1</sup>	50,000	12%	602
Wild Water Limited Partnership	SVRB Rio Bravo \$4,500,000	50,000	12%	294
Wild Water Limited Partnership	Universal Hawaii	50,000	12%	565
Wild Water Limited Partnership	Castaic Partners II LLC	50,000	12%	829
Spectrum Capital, LLC	Roam Development Group	50,000	12%	18
Spectrum Capital, LLC	Ocean Atlantic	50,000	12%	462
Spectrum Capital, LLC	Oak Shores II	50,000	12%	62
Spectrum Capital, LLC	BarUSA/\$15,300,000	40,000	12.50%	1,553
Spectrum Capital, LLC	Amesbury/Hatters	40,000	13%	1,980
Spectrum Capital, LLC	Glendale Tower	50,000	12.50%	730
Spectrum Capital, LLC	Harbor Georgetown	50,000	12%	178
Spectrum Capital, LLC	HFA - North Yonkers	50,000	12%	6,967
Spectrum Capital, LLC	Huntsville	50,000	12%	1,797
Spectrum Capital, LLC	Lerin Hills	50,000	15%	149
Spectrum Capital, LLC	Marlton Square	50,000	12.50%	1,106
Spectrum Capital, LLC	Marquis Hotel	50,000	13%	9,442
Spectrum Capital, LLC	Brookmere/Matteson	30,000	12%	763

Spectrum Capital, LLC	Shamrock Tower, LP	50,000	12%	2,358
Spectrum Capital, LLC	Universal Hawaii	50,000	12%	565
Spectrum Capital, LLC	Elizabeth May Real	500,000	12%	466
First Savings Bank, Custodian for Louise Teeter IF Amesbury/Hatters		30,000	13%	
First Savings Bank, Custodian for Louise Teeter IF Bay Pomano Beach		61,000	12.50%	1,198
First Savings Bank, Custodian for Louise Teeter IF Brookmere/Matteson		60,000	12%	415
First Savings Bank, Custodian for Louise Teeter IF Fiesta Oak Valley		60,000	13%	787
First Savings Bank, Custodian for Louise Teeter IF Fiesta USA/Stoneridge		55,000	13%	10,135
First Savings Bank, Custodian for Louise Teeter IF Gateway Stone		50,000	12%	11,459
First Savings Bank, Custodian for Louise Teeter IF Gramercy Court Condos		54,000	12%	82
First Savings Bank, Custodian for Louise Teeter IF Mountain House Business Hotel		50,000	12%	1,350
First Savings Bank, Custodian for Louise Teeter IF Placer Vineyards		50,000	12.50%	669
First Savings Bank, Custodian for Louise Teeter IF Universal Hawaii		82,000	12%	2,525
First Savings Bank, Custodian for Louise Teeter IF Urban Housing		50,000	12.50%	926
Norman Teeter	Amesbury/Hatters	25,000	13%	697
Norman Teeter	Bay Pomano Beach	50,000	12.50%	
Norman Teeter	Brookmere/Matteson	60,000	12%	1,614
Norman Teeter	Fiesta Oak Valley	82,000	13%	271
Norman Teeter	Placer Vineyards	100,000	12.50%	1,526
Norman Teeter	Universal Hawaii	55,000	12%	13,851
Louise and Norman Teeter	Universal Hawaii	65,000	12%	5,050
Louise and Norman Teeter	Urban Housing	60,000	12.50%	621
Robert Teeter	Brookmere/Matteson	25,000	12%	599
Robert Teeter	Fiesta Oak Valley	60,000	13%	836
First Savings Bank, Custodian for Rudolf Winkler I Amesbury/Hatters		25,000	13%	
First Savings Bank, Custodian for Rudolf Winkler I Huntville		50,000	12%	636
First Savings Bank, Custodian for Rudolf Winkler I Mountain House Business Hotel		50,000	12%	10,135
First Savings Bank, Custodian for Rudolf Winkler I Harbor Georgetown		50,000	12%	1,021
First Savings Bank, Custodian for Rudolf Winkler I HFA - Windham		75,000	12%	3,749
First Savings Bank, Custodian for Rudolf Winkler I Urban Housing		74,000	12.50%	949
Carmel Winkler Trustee of the Winkler Family Trus Amesbury/Hatters		25,000	13%	11,750
Carmel Winkler Trustee of the Winkler Family Trus Brookmere/Matteson		25,000	12%	1,759
Carmel Winkler Trustee of the Winkler Family Trus Harbor Georgetown		50,000	12%	636
Carmel Winkler Trustee of the Winkler Family Trus HFA - North Yonkers		50,000	12%	949
Winkler Family Trust	Amesbury/Hatters	25,000	13%	6,967
Winkler Family Trust	Brookmere/Matteson	100,000	12%	1,759
Winkler Family Trust	Huntville	50,000	12%	2,544
Winkler Family Trust	Harbor Georgetown	50,000	12%	3,749
Winkler Family Trust	HFA - Windham	100,000	12%	949
Winkler Family Trust	HFA - North Yonkers	50,000	12%	15,667
Winkler Family Trust	Roam Development Group	100,000	12%	6,967
Winkler Family Trust	6425 Gess, LTD	100,000	12%	35
Winkler Family Trust	Urban Housing	50,000	12.50%	6,669
Winkler Family Trust	Comvest Capital	50,000		697
Carole Talan	Eagle Meadows	100,000	12.50%	496
				1,010

Carole Talan	Del Valle - Livingston	50,000	12%	369	82
Voss Family Trust	Gateway Stone	50,000	12%		3,593
Voss Family Trust	Marquis Hotel	100,000	13%		28,730
Voss Family Trust	Ashby Financial \$7,200,000	130,000	12%		
Voss Family Trust	Del Valle - Livingston	100,000	12%	738	
Voss Family Trust	Wasco Investments	90,000	12%		4,361
Voss Family Trust	SVRB Rio Bravo \$4,500,000	100,000	12%	588	
Voss Family Trust	Placer Vineyards	125,000	12.50%		6,312
Voss Family Trust	Oak Shores II	100,000	12%	589	
Voss Family Trust	Mountain House Business Hotel	75,000	12%	1,912	
Voss Family Trust	Mountain House Business Hotel	75,000	12%	1,912	
Voss Family Trust	Marlton Square	60,000	12.50%		1,327
Voss Family Trust	Margarita Annex	100,000	12%		945
Voss Family Trust	6425 Gess, LTD.	120,000	12%		8,003
Voss Family Trust	Huntsville	100,000	12%		6,090
Voss Family Trust	Foxhill 216, LLC	50,000	12.50%	4	
Voss Family Trust	HFA - North Yonkers	125,000	12%		17,417
				\$542,791	\$594,053

Note: 1 The Fiesta Development, Inc. (Murieta) interest in the names of

Crosbie B. Ronning- (\$50,000.00)- \$602

Wild Water LTD- (\$50,000.00)- \$602

Grable Ronning- (\$100,000.00)- \$1,203.00

Hereafter "RONNING" are the subject of an Interpleader Action.

Ronning believes this \$2,407.00 should be paid to the "RONNING" investors.

The \$54,279 does not include these amounts.

JUL-25-2006 14:30

P.01/01



April 29, 2005

Wolf Dieter Voss & Claudia Voss Trustees of The Voss Family Trust Under Trust dated 10/4/99  
14 Via Ambra  
Newport Beach, CA 92657

RE: **Ashby Financial \$7.2m**

Dear Wolf:

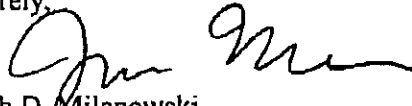
Thank you for your participation in the **Ashby Financial \$7,200,000** loan through USA Capital. The borrower approached USA Capital regarding extending the balance of this loan for an additional 12 months. The borrower is completing the entitlements and our loan will be taken out in the next 12 months through sale of the property.

Currently the loan matures on May 13, 2005. The loan will have a new maturity date of May 13, 2006. A loan extension signature page and a new Power of Attorney are enclosed for your signature. Every investor who elects to stay in the loan must sign the loan extension signature page and a new Power of Attorney and return them in the self-stamped envelope provided. Please note that the signatures on the new Power of Attorney must be notarized.

Your interest checks will continue to arrive around the 10th of every month. If you chose not to stay in the loan for the period of the extension, please contact your broker immediately so that paperwork can be completed to return your initial investment.

We appreciate your continued confidence and trust along with your prompt attention to this matter. If you should have any questions regarding your investment, please contact your broker in the Las Vegas office (888) 921-8009, the Incline Village office (775) 833-2233 or the Reno office (866) 851-8180.

Sincerely,



Joseph D. Milanowski  
President

Enclosure

v.1 Rev. 8/04